

# Easier Switching for Voice & Broadband Customers

## Gaining Provider-Led Switching - The Option Y Proposal

### 1. Executive Summary

In June, Ofcom decided that the 'Option Y' Gaining Provider-Led ('GPL') fixed network switching process did not comply with the European Electronic Communications Code (106) ('EECC') requirement for customers to give their "explicit consent" to switch. Ofcom listed information it believes customers must receive in its proposed GC C7.12 ('Switch Info'). This includes information about the consequences of their decision to cancel services with the Losing Provider ('LP').

Subsequently the Option Y Group has redesigned its process in the continued common belief that, in order to minimise friction, switching must be a *genuinely "one-stop-shop enabling a seamless experience for end-users"*<sup>1</sup>, with the entire process led by the recipient provider. This requires that the customer can, if they wish, complete the switch order on a single call or visit to the website or store of the GP, with no need to deal with the LP

Beyond switching, consumers must be presented with a lot of other information before they can contract for new services, including that specified under: EECC 102; the General Conditions; the Consumer Contracts Regulations; and the Open Internet Regulation ('Regulated Info'). As almost all customers who want to switch also take out a new contract *at the same time*, we see an opportunity to create a smoother process, which combines customer acquisition *and* switching, and delivers Switch Info and Regulated Info together.

We are proposing two variants of the Option Y process, where the key difference relates to who has sight of, and distributes, the Switch Info:

- **YGP** - the LP forwards the Switch Info to the Hub, which then forwards it to the GP. The GP sends the Switch Info, unedited, to the customer, alongside information about their new contract. This means the customer can receive all switch- and contract-related information at the same time, and customers without mobiles can complete the switch in-store.
- **YHub** - the LP forwards the Switch Info to the Hub, which then sends this, unedited, to the customer, while the GP also sends them their new contract information directly. This means the customer knows that only information relating to the services they wish to switch has been shared with the GP, and the LP can be comfortable that their commercial relationships are not exposed to the GP.

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<sup>1</sup> [EECC](#) recital 281, and quoted in Ofcom's [Proposals to implement the new European Electronic Communications Code](#) 7.21

We believe that the new solution we present in this document, including its technical architecture and associated customer journey, fully meets Ofcom's interpretation of the EECC obligations, and will make switching easier, more reliable and quicker, while helping vulnerable consumers and protecting them from harm.

## 2. Option Y Benefits

- **A genuine one-stop shop:** the customer can request the switch, receive Switch Info, consent to switch **and** sign up for new contract (including receiving all Regulated Info), all on a single phone call or visit to a GP website or store.
- **Fully GPL:** The receiving provider truly "*leads the switching and porting processes*", as required under EECC (106); i.e. the GP facilitates the process on behalf of the customer, end-to-end, including securing Switch Info, through the 'Hub'.
- **No LP contact required:** At no point does the process force the customer to try to get through to an LP call centre or find an available LP store rep, or find account details and log on to an LP app. The customer only contacts the LP if they want to<sup>2</sup>.
- **Customers get their Switch Info 'live':** All C7.12 Switch Info can be inserted into the GP website order screen while the customer is online, or it can be sent by email or SMS while the customer is on a call to the GP or in a GP store. This means that those who want to request, consider, consent and progress the switch in a single transaction can do so; those who want more time to consider before making their decision can retrieve their Switch Info at a later date.
- **Simple Switch Info presentation:** Where customers elect to receive Switch Info by SMS or email, we will include simple standardised information focusing on the core "*total charges and a link to information on the process*"<sup>3</sup> in the *body of the text or email*, with a link to a pdf (or online account) setting out the *full C7.12 Switch Info*.
- **Allows customers to change their mind** at key points during the process, including when the GP describes how the switch will work, when the customer receives their Switch Info, and after the order is placed up until the day before the transfer. In addition, we anticipate most providers will send a 'Sorry To See You Go' message with their final bill *after* the switch, similar to mobile. As the CCRs allow distance customers to cancel up to 14 days after placing their order - even if they have switched - these customers can still reverse their order during this time.
- **Simplifying switching for customers without email or mobile:** Under both Option Y and LPL code-based processes, these customers must wait to receive Switch Info by letter (as this must be available in a durable medium). However, under Option Y, it is the GP who arranges for this letter to be sent. The customer does not need to call the LP and deal with unwanted retention activity, or write down a code and then make a further call to the GP and repeat the code correctly. This is particularly

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<sup>2</sup> We have no problem with save activity where the customer wants this. However, current regulations cannot prevent the LP from engaging in *unwanted* save activity under LPL processes. These force the consumer to contact the LP, explain their reasons for leaving and listen to offers, even if they just want to go. Under Option Y this is not an issue.

<sup>3</sup> As proposed by Ofcom in its letter to Option Y Group of 10 July 2020

important for vulnerable customers, and those with limited understanding of technology, or who require more assistance with the switching journey.

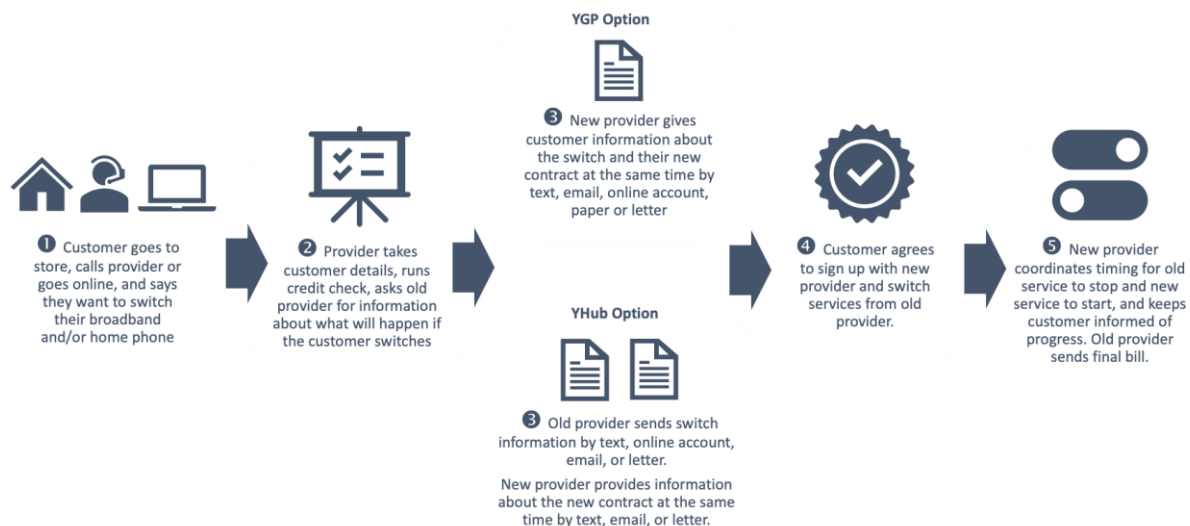
- **Better in-store journey:** Customers with a mobile can walk into a shop, start a switch, and receive their Switch Info while in-store. Customers without a mobile may still complete an in-store order if the GP offers them access to an online terminal through which to access their Switch Info. Under YGP, customers without mobile *or* email can go to a GP store to get their Switch Info in hard copy, and can consent and sign up with the GP at the same time<sup>4</sup>. They will not be turned away and asked to return once they have received Switch Info. This is likely to benefit vulnerable customers, who want someone to talk them through the process, but lack the technology required to receive their Switch Info.
- **Faster switching:** including next-day switching where no engineer visit is required.
- **Highly flexible:** Facilitates switching between networks (e.g. Virgin to Swish), and between providers operating on the same network (e.g. Openreach retailers), and works for both business and retail customers.
- **Fully scalable:** Allows customers to disaggregate bundles, switching some services but not others, and can be expanded to allow switching of service types beyond broadband and voice, including overlay services.
- **Reduces erroneous transfers:** by requiring the LP to confirm the customer, address and services to be switched, and by use of UPRNs to identify the correct address.
- **Addresses slamming:** The requirement to record customer consent is a strong disincentive to slamming. In addition, rogue CPs are unlikely to guess a UPRN, customer name, and the services they take, without talking to the customer. (Repeated attempts to guess would show up in the Hub metrics). Furthermore, the customer sees the GP brand name with their Switch Info; if they don't recognise the GP they can cancel the order.
- **Improves ability to monitor and audit:** and rectify problems by applying a switch order reference throughout the transaction, and storing this for 12 months.
- **Wide industry support:** Option Y fosters a more comprehensive ecosystem of infrastructure, wholesale and retail providers, and is supported by network and service providers large and small, including the new generation of full-fibre operators, and industry trade associations.

### 3. The Option Y Customer Journey

The following diagram sets out what Option Y looks like from the customer perspective. The entire journey up to stage 5 can be completed in a single interaction with the GP, by landline, mobile, or on the GP's website or in their store. Note: in stage 3, the customer will not necessarily know whether it is the Hub or the GP that sends them the Switch and Regulated Info. This will be the exact information as provided by the LP, unamended.

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<sup>4</sup> In addition, GPs may choose to offer online terminal access to in-store customers who have an email account but no mobile, to enable them to receive their Switch Info live, and decide whether to progress the switch.



## 4. The Option Y process

In this section, we describe the Option Y process. We also provide a summary of this in the accompanying Option Y process document, and the process flowchart. (Red text in text boxes highlights areas where we present options for Ofcom to consider, and, in some cases, we give our preferred approach).

**1. Customer Contact** The process starts with the customer contacting the GP by phone, in-store, or using their website, to place an order for services and arrange a switch<sup>5</sup>.

**2. GP validation.** The GP then checks what services are available at the customer address (converted to a UPRN) and whether an engineer visit will be required, and takes customer contact details and runs a credit check.

**3. GP takes switch details.** The GP then describes the switching process, and takes the name of the customer's current provider, the services they want to switch (the customer can elect to switch only specific elements of a service bundle), and their desired switch date.

We think risk of fraud under Option Y is negligible, because there is no benefit to switching someone else's services, or seeing their Switch Info. In addition, the customer must give their financial details before they can switch. **However, if Ofcom is concerned about fraud, it would be simple to require the customer to give their LP account reference at this stage.** We think this adds unnecessary friction to the process, so have not proposed this.

**4. GP Requests Switch Info.** The GP asks if the customer is happy for them to get information about the implications of the switch from the LP on their behalf. If the customer consents, the GP requests this information via the Hub, and the Hub creates a record of the

<sup>5</sup> The GP will usually phone customers who contact them by email or letter. If phone details aren't available, the GP will email or write back, and ask the customer to contact them by phone or go to a store.

request, together with a unique switch order reference number, which is then used to follow the process through<sup>6</sup>.

**5. LP Provides Switch Info.** If the LP can match the customer name and services at the target address, it automatically and immediately generates Switch Info, and its own contact details for the customer (if these are different), and sends them to the Hub.

If there is no match (or a partial match), the LP alerts the GP via the Hub, which records this. The GP then asks the customer for additional identifying details, such as their LP account<sup>7</sup> or phone number, and re-submits the request. If there is still no match, the GP advises the customer that they must contact the LP to confirm their account details<sup>8</sup>. In practice, we would expect LPs and GPs to communicate via a back-channel to try to resolve match failures.

## 6. Switch Info is sent to customer.

The Switch Info is *provided* by the LP. But it can be *sent* to the customer, immediately and automatically, to the contact details provided by both LP and GP, **either by the GP triggering the Hub to send it (Option YHub), or by the Hub forwarding it to the GP, and the GP sending it (Option YGP)<sup>9</sup>.**

In either case, the Switch Info provided by the LP will be forwarded in its entirety and without amendment. It can be provided by email, SMS, or inserted into the GP's online order screen (YGP), or linked to via inline content, similar to a bank '3D Secure' card validation pop-up (YHub). Under YGP, the GP can also give the Info to in-store customers in hard copy if they prefer. For all routes, Switch Info is provided in durable medium, retrievable later by the customer.

Where SMS or email is used for Switch Info, we will provide the core "*total charges and a link to information on the process*"<sup>10</sup> in the *body* of the text or email, with a link to a pdf (or account) where the *full* C7.12 Switch Info is set out. This may risk some process drop-out from less technophile customers and those without smartphones, but Ofcom envisaged this as one of the routes for communicating the Contract Summary<sup>11</sup>. (And in any event, the same issues apply with LPL code-based switching approaches.)

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<sup>6</sup> This reference will confirm the authenticity of the order and will be socialised across supply chains via existing interfaces to identify that an order instruction comes from a customer switch request.

<sup>7</sup> The LP billing account number should be readily available via the customer's account, billing information or 'end of contract' notification, without the need for the customer to contact the LP.

<sup>8</sup> Note: this approach is the same for LPL code-based switching processes: the LP cannot generate a code unless it can match the name, address and services of the customer who makes the request.

<sup>9</sup> We think this is consistent with proposed C7.12 "*The Regulated Provider that is the Losing Provider must take all reasonable steps to ensure that Switching Customers who are Consumers are provided with the following information, in the manner and form set out in Condition C7.13*". However, if Ofcom can disagree it can easily tweak this proposed GC to allow for the Info to be *sent* by LP or Hub.

<sup>10</sup> As proposed by Ofcom in its letter to Option Y Group of 10 July 2020.

<sup>11</sup> Ofcom [Proposed guidance on Contract Information and the Contract Summary](#) A6.8.

Almost all customers enter into a contract with a new provider *at the same time* as they switch their fixed services<sup>12</sup>. Customers must therefore be provided with both Switch Info *and* other regulated contract information ('Regulated Info') before they make decision. YGP and YHub allow both of these requirements to be addressed simultaneously.

- Under YHub, because the GP triggers the Hub to send Switch Info, it can send Regulated Info at the same time, and via the same means of communication (so the customer receives two texts or emails (or letters) at the same time).
- Under YGP, The GP can put the Regulated Info and Switch Info as consecutive documents in the same communication.

**7. Customer Consents To Switch.** After receiving the Switch (and Regulated) Info, the customer can give their "explicit consent" to switch (and contract with the GP). For phone/in-store customers, this consent would be given verbally, and recorded. Online customers would tick a consent checkbox. In both cases the **GP** would store the record of consent for 12 months<sup>13</sup>.

We do not believe that customers who receive Switch Info (or Regulated Info) by email, text or letter need to *prove receipt* before they consent, and neither Ofcom's proposed GC7.12, or its 10th July letter, or its Contract Information and Summary Guidance, suggest this<sup>14</sup>. We have therefore not proposed a mechanism for the Customer to prove receipt in this document, as we consider this would create unnecessary friction. **However, the process could easily be amended such that Switch Info and Regulated Info contains an identifier which the customer would need to read out or show to the GP to *prove receipt*. If Ofcom considers proof of receipt is integral to delivering "explicit consent", it should amend the process when it consults.**

**8. GP places order.** Having achieved a 'full' match, and following the customer's consent to proceed, the GP completes their standard order journey by transmitting an instruction to the LP to cease the specified services on the specified date, via the Hub. (In most cases the customer will also contract for their new services at the same time). Most LPs are likely to send a Sorry To See You Go letter at this point.

**9. Service transfer.** Transfer then proceeds as per the current NoT+ process, and can complete next day where no engineer visit is required. The GP schedules transfer tasks and completes engineering requirements, and informs their upstream infrastructure provider (if applicable). They communicate with the customer to ensure they stay updated on progress (providing alternative formats as required for registered vulnerable customers). The service transfer begins, although the customer can cancel or amend the switch until the day before the transfer (the Point of No Return, PoNR).

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<sup>12</sup> The exception is where a customer who already has two networks simultaneously, decides to consolidate to one, possibly by exercising their new EEC right to port until up to a month after terminating their old contract.

<sup>13</sup> This helps resolve disputes about unsolicited switch activity. The call recording must be easily retrievable, and identified by a customer/service identifier or LP account details.

<sup>14</sup> This is not an issue for customers switching online or in-store, as it is not possible for these people to switch until they have received the Switch / Regulated Info.

**10. Order completion.** The Hub triggers the LP cease once the GP has confirmed the service is activate (i.e. 'make before break', to eliminate loss of service). The LP then ceases the switched service(s) and sends a final bill, and confirms this to the Hub (to actively acknowledge avoidance of double billing). The customer then returns any LP equipment (e.g. router) as required.

## **5. Technical details**

### **The Hub**

At the core of Option Y is the Hub, which facilitates the transfer of Switch Info, coordinates order flow between GP and LP, and can send communications with the customer if required. Governance of the Hub will be determined in consultation between Ofcom and industry. Hubs (or 'clearinghouses') are standard features of fixed and mobile switching processes around the world, and there are around a dozen commercial providers.

A variety of models are available to ensure the effective function and neutrality of the Hub, including a mobile-style 'Operator Steering Group' or a governance body created by trade associations. We envisage that the governing body will hold a contract for technical and commercial service provision, with funding to be determined in consultation with Ofcom.

### **Identification of 'services' rather than 'assets'**

A defining feature of Option Y is its customer focus. It ensures that only the services a customer has consented to are switched, with minimal disruption to existing supply chain processes.

Currently, providers operating on the Openreach network use Openreach dialogue services to identify asset(s) to be switched, and this often depends on the availability of the CLI. For switches from LLU, however, the CLI is not visible to the GP, and so the process does not provide adequate confirmation that the selected asset is the correct one. Occasionally, this results in erroneous transfers or slamming. With plans to switch off the PSTN, and the growing popularity of 'broadband-only' services, identifying the correct asset will become increasingly important

Option Y addresses the current weakness by allowing the GP to communicate with the LP via the Hub, to confirm the specific service to be switched at a unique address for a specific customer. Once the LP has confirmed this, they can manage the cease of that service in accordance with the requirements of their wholesale supplier. This is largely achieved using current processes, but with the addition of a switch order reference which operates throughout the transaction, to improve auditability. This ensures the LP sends their final bill and 'Sorry To See You Go' letter to the right customer and for the right switched asset.

For all networks, use of UPRNs instead of addresses helps identify individual premises within a larger property; this reduces the number of cases where the LP cannot find a match. Where the LP still does not find an initial match, the process allows the GP to submit additional identifying information, e.g. customer account number.

## Option Y Addresses the Risk of Slamming

'Slamming' can occur when a service is switched, despite no contact between the customer and the offending provider. This is where the handshaking of UPRN, LP, customer name and service type adds real value. Unlike the current process, where the order is made against an asset in the Openreach database, the new process requires the GP to give data provided by the customer to the LP to initiate a match. A rogue CP is unlikely to guess this data without talking to the customer, and repeated attempts to guess would show up in the Hub metrics.

Slamming can also occur where the customer contacts the GP, but does not consent to switch or purchase a product which the GP provides anyway, or where the GP deliberately misleads the customer into believing they are contracting with a different GP. Option Y addresses this through the requirement to retain evidence of consent and the audit trail on the Hub, which disincentives this type of behaviour.

In addition, the technical architecture of the Hub provides strong anti-slamming protections for providers operating on the Openreach networks:

- GPs must have a RID identity in order to generate a switch request. A GP which slams - provable from the record of consent and Hub audit trail - risks withdrawal of their RID. This would prevent them from winning new business.
- LPs provide Switch Info to their customer with details of the GP brand name. If the customer does not recognise the GP they can cancel the order.
- GP's cannot start the switch until the LP validates the services against the customer, because the Hub switch order reference will not be available to the supply chain.
- A GP must have a dialogue with the customer to obtain key information about their existing service, in order to obtain a match with the LP and place a switch order with criteria which the LP can identify.

## Next steps

1. **Costs:** Incremental costs from introducing a GPL switching solution to meet both intra and inter-network switching will fall into the following areas:
  - A. **Costs arising to scope, develop, test and implement the Hub** - OTA have approached two hub vendors to gauge the cost impact of the hub under both Option Y variants:
    - i. **YGP** - No material impact anticipated relative to previous Y solution
    - ii. **YHub** - The expanded role of the hub will increase hub costs relative to the previous Option Y solution. However, set against the aggregate 'industry' cost previously advised by OTA, we consider the overall impact is 'minimal'.
  - B. **Costs arising in the supply chain used by retailers** - Openreach have indicated a range of £0.8-1.6m to interface with the Option Y solution.



Current order journeys remain largely unchanged in the supply chain (e.g. wholesalers) and Openreach will not be required to interface with the Hub.

- i. **YGP** - There will be no impact on the cost estimates previously provided for Third-Party Integrators (TPI's), used by smaller Retailers to interface with network access providers.
- ii. **YHub** - The expanded role of the hub will increase Hub costs relative to the TPI cost previously included in the Y solution. However, set against the aggregate 'industry' cost previously advised by OTA, we consider the overall impact is 'minimal'.

C. **Costs arising at the retailer level** - Retailers will need to change their customer interaction systems and processes to include the interface with the Hub, for both digital and tele-sales, as well as the resulting order journeys. Costs will vary by size of CP, volume of customer interactions, number of service types and channels to market. Lead Retailers have previously provided cost estimates of changes to for the Y solution.

- i. **YGP and YHub** - Costs for both options will increase relative to the Retailer (Lead Retailers only) cost previously included in the Y solution. However, set against the aggregate 'industry' cost previously advised by OTA, we consider the overall impact is 'minimal'.

2. **Use Cases:** Once a final decision is taken as to which Option will be taken forward in-life, we intend to build use cases involving switching between retailers on the Openreach, Virgin, and altnet platforms. These can be used to further inform both the Hub and CP detailed design.

3. **Implementation Timescales:**

- A. Development timescales will be driven by Ofcom consultation timescales. Openreach suggests a minimum delivery window of 18 months from the start to completion for the work.
- B. Hub implementation timelines will depend on the timeliness of the decision by Ofcom as to which Option to take forward, agreeing funding and control models for the hub and then completion of a rapid competitive tender process to select the provider. Early indications are that, assuming a detailed set of requirements are completed as part of the tender, delivery of the Hub could be achieved by 6-9 months of contract award, including build and test.
- C. CP enhancements of front-end systems and modifications to order journeys cannot be concluded until completion of Supply Chain modifications and Hub implementation, although much of this work can be undertaken in parallel.

This Option Y Gaining Provider Led Voice and Broadband Switching proposal has been built with strong cooperation between the following industry members who commend it to Ofcom for consideration at their earliest convenience:



Issue v2.0 on behalf of the Option Y Consortium by:

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